

tax rates. Today, life insurance companies are as fully taxed on their income as are other corporations. There is no reason to treat them differently today.

THE PROBLEM

The current restrictions placed affiliated groups of corporations which include life insurance companies at an economic disadvantage compared with other corporate groups and also create substantial administrative complexities for taxpayers and the Internal Revenue Service. The five-year limitations, in particular, create irrational disparities between groups containing life insurance companies and other consolidated groups. Let me provide three examples:

1. When a consolidated group acquires a target consolidated group with a life insurance company member, the target group is deconsolidated. This means that, unlike other groups, intercompany gains in the target group would be triggered into income while losses would continue to be deferred.

2. For the five year period following a consolidated group's acquisition of a life insurance company, gains on any intercompany transaction cannot be deferred. Gains of other groups, which are allowed to file a consolidated return, are allowed to be deferred.

3. Section 355 spin off transactions raise questions concerning the five year ineligibility period for the spun-off company even if the group had existed and been filing a consolidated return for many years.

The ability to file consolidated returns is particularly important for affiliated groups containing life insurance companies. Many corporations in other industries can, in effect, consolidate the returns of affiliates by establishing divisions within one corporation, rather than operating as separate corporations. Unfortunately, state law and other, non-tax, business considerations generally require a life insurance company to conduct its non-life business through subsidiaries. The inability to file consolidated returns thus operates as an economic barrier inhibiting the expansion of life insurance companies into related areas.

SOLUTION

There are no sound reasons to deny affiliated groups of corporations including life insurance companies the same unrestricted ability to file consolidated returns that is available to other financial intermediaries (and corporations in general). Allowing the members of an affiliated group of corporations to file a consolidated return prevents the business enterprise's structure, i.e., multiple legal entities, from obscuring the fact that the true gain (or loss) of the business enterprise is the aggregate of the gain (or loss) of each of the members of the affiliated group. The limitations contained in present law are so clearly without policy justification that they should be repealed.

The legislation we are introducing today will repeal the two five-year limitations for taxable years beginning after this year. For revenue reasons, the legislation will phase out the 35% limitation over seven years. This bill should be a part of any simplification or taxpayer relief legislation that may be enacted next year, and I hope my colleagues will join me in this worthwhile effort.

HONORING MEGHAN ANN
ELLWANGER, WINNER OF THE
NATIONAL BUSINESS PLAN COM-
PETITION

HON. RON KIND

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Saturday, October 10, 1998

Mr. KIND. Mr. Speaker, I rise today to commend a young lady from my congressional district who has made the State of Wisconsin proud. Meghan Ann Ellwanger, of Somerset, Wisconsin, has proven herself to be an astute entrepreneur at the age of 15. Her business plan for "Berry Patch Nannies" won the 1997-98 Business Plan Competition sponsored by "An Income of Her own" a nonprofit organization dedicated to improving the economic literacy of teen girls.

Berry Patch Nannies will be a business devoted to the raising of goats and the sale of goat products which include milk, cheese, and soap lotion. It will also be an "environmentally aware business with products that are drug, disease and pest free." Miss Ellwanger gained some of the experience she will need to implement her plan for Berry Patch Nannies while she was operating Meghan's Poultry Palace, a family operated poultry business. Miss Ellwanger plans to cover her startup costs by applying for a 4-H business loan. She intends to invest her profits in a college education.

I wish her success and congratulate her on this impressive accomplishment.

LITTLE ROCK NINE MEDALS AND
COINS ACT

SPEECH OF

HON. DANNY K. DAVIS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 9, 1998

Mr. DAVIS of Illinois. Mr. Speaker, I rise in support of the bill H.R. 2560 to present Gold Medals to Ernest Green, Elizabeth Eckford, Jefferson Thomas, Dr. Terrence Roberts, Carlotta Walls Lanier, Minniejean Brown Trickey, Gloria Ray Karlmark, Thelma Mothershed-Wair, and Melba Pattillo Beals, collectively known as the Little Rock Nine.

I was a 16-year-old college freshman at Arkansas A.M. of N. College in Pine Bluff, Arkansas; and on a daily basis we waited with baited breath to hear or see what had taken place on that day at Central High School in Little Rock. The nine young people gave all of us a sense of pride and fulfillment as we observed their strength, courage, and determination. They were all outstanding; however, I was particularly struck by the fact that my mother, a very soft-hearted and genteel woman, declared Minniejean Brown as her hero.

These were indeed heady times for all of us in Arkansas and especially so, for those of us who were Black. Daisy Bates, president of the Little Rock NAACP became a goddess for those of us who were liberation hungry and searching for equality, equal justice, and equal opportunities. Attorney Wiley Branton, Dr. Cleon Flowers, Attorney Flowers, Dentist Mazique, President Lawrence A. Davis, Dean J.B. Johnson, Earl Evans, and others became

in my mind great civic and community leaders. I am indeed pleased to see this recognition provided to the Little Rock Nine as evidence of the significant role which they, their parents and leaders like Daisy Bates and Wiley Branton played in the school desegregation and Civil Rights Movement in this country. They were Golden Children and deserve Gold Medals.

I thank you, Mr. Speaker, and yield back the balance of my time.

TRIBUTE TO AMERICAN YOUTH
SOCCER ORGANIZATION

HON. BRAD SHERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Saturday, October 10, 1998

Mr. SHERMAN. Mr. Speaker, I rise before you today to pay tribute to the American Youth Soccer Organization (AYSO) and its chairman of the board, Burton K. Haimes. AYSO was founded in Torrance, CA in 1964, "everyone plays" and "balanced team" philosophies have generated a youth soccer program which has literally swept the country.

Today, AYSO has 900 regional programs and 46,000 teams. The division into geographic regions has resulted in a grassroots program with local leadership. AYSO soccer is a family affair with more than 600,000 players ranging from 4½ through 18 years old. An average of one parent per family actively participates in AYSO acting as coach, referee, team parent, administrator or sponsors. AYSO is currently supported by more than 250,000 volunteers. Through AYSO, youngsters of diverse backgrounds, ethnicity, and athletic abilities are given the opportunity to participate in soccer. AYSO and its sponsors are proud to provide quality programs for its youngsters and volunteers.

Today's AYSO program is different in many respects from its origin. The emphasis is now placed on the training and development of adult volunteers. That way they can be sure the quality as well as the quantity of their programs increases. AYSO, with the help of noted experts, is working to improve the education of volunteers in the areas of child development, human behavior, sports psychology, ethics and sportsmanship.

AYSO programs work because their volunteers work. They work because they believe in the programs. Their phenomenal growth reflects AYSO's commitment to a healthy competitive atmosphere for youth soccer players and a concern for the development of caring and responsible individuals.

Recognizing the special needs within our communities, AYSO has carefully created unique programs including: TEAM-UP to provide assistance where there are ongoing economic challenges, be it rural area, small town, Native American reservation or the inner city; VIP (Very Important Player) program created to provide a quality soccer experience for children whose physical or mental challenges make it difficult to successfully participate on regular AYSO teams; CAP (College Athlete Program) designed to prepare soccer players to attend college and play soccer while in college; Girls Initiative to promote girls' participation in soccer along with fostering the development of women as coaches, referees and administrators; and Safe Haven designed to address the growing need for child and volunteer